REMARKS BY
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Thank you very, very much Jack, for that very generous introduction, and good morning. It's great to be here, and I appreciate the opportunity to speak to you today. I also want to thank all of you for taking time from your own busy schedules to participate in this very timely and important conference yesterday and today.

As Jack mentioned, for most of 1997, I had the honor of serving as Chair of the National Civil Aviation Review Commission. Established by the Congress in 1996, the Commission was charged with examining the state of the Nation's civil aviation programs, and with making recommendations about the future financing, operations, and safety of civil aviation.

The Commission was established because it was clear that changes were needed in how our public sector aviation programs were financed. At the same time, it was clear that there was no consensus in the aviation community, the Congress, or the Administration, as to how those changes should be constructed.

The Commissions charge was to examine the issues involved, and develop a consensus approach. I believe very strongly that we succeeded in that task.

The Commissions membership was broad and diverse—drawing on expertise from all segments of the aviation industry, and from outside aviation as well. Our report, issued in December 1997, represents a realistic and comprehensive program of changes to move aviation forward into the 21st Century.

The Commission's report came at a critical time for civil aviation—both domestically here in the United States and worldwide.

Today, aviation represents more that 6% of the Gross Domestic Product of the United States, employing more than 1.5 million workers—mostly in highly skilled, high wage jobs.

The current total economic impact of aviation worldwide today is more than $1 Trillion. In just the next 10 years, that figure is expected to grow to $1.7 Trillion.

However, that 70% growth in aviation's share of the world's economy can not take place without similar increased demands on the capacity of air traffic control systems, safety and inspection systems and aviation policy management.

Aviation activity is growing, the technology of aviation is changing rapidly, and the business of aviation is becoming more complex. These are tremendous challenges, but we cannot afford to shirk the responsibility of dealing with them.

It is widely acknowledged that aviation offers one of the most significant engines for economic growth at the local, regional, and national levels.

If we give this sector room to grow, the economic advantages will be tremendous. At the same time, a failure to give aviation the room and resources it needs threatens to form a bottle neck strangling economic growth, guaranteeing gridlock in the skies, and placing the safety of aviation workers and the flying public increasingly at risk .

Today's Federal Aviation Administration lacks the organizational, management, and financial wherewithal to keep pace with a dynamically growing aviation industry.

The FAA runs a 24-hour-a-day, high tech, rapidly changing operating system for a major commercial industry and for general aviation.

While everyone responsible for the current Air Traffic Control System wants to make the system work, there is no single point of accountability.

With responsibility diffused among a wide range of government and industry players, producing the kind of ongoing evolution required of aviation management in a rapidly changing world will be next to impossible.

In addition, the FAA itself has become nearsighted—insufficiently focused on the needs of its customers. Without a focus on determining and meeting the needs of its external users, the FAA itself has sometimes been an impediment to needed modernization.

Secondly, the current revenue stream for aviation operations, capital investments and operational improvements is inadequate.

This is a problem, not of insufficient funds, but of insufficient release of the funds collected. Federal budget rules have often represented a dam on the aviation revenue stream—blocking collected revenues from reaching their intended uses for operating funds and capital investments.

As a result the current system has been forced to make tradeoffs between operational costs and capital investments.

Increasingly driven by outdated equipment, the system today is caught in a downward spiral in which increasing operation and maintenance costs are freezing out new investment. Hopefully, AIR 21 will correct this situation.

Similarly, capital investments in our Nation's airports are insufficient to keep up with rapidly rising demand. Airport investments must go hand-in-hand with air traffic control investment if we are to guarantee the system capacity the nation needs.

Since 1992, the FAA's capital investments have fallen by roughly 20%. At the same time, operations spending has increased by 10%. With overall funding relatively constant, the tradeoff that has been made is clear.

Finally, the fall off in capital and technology investment is threatening the United States' historic role as the leader in air traffic management and technology.

That status is an intangible—but very real—component of our national influence in the field of aviation. Intangible it may be, but none of us who know this industry doubt the importance of that status to our competitive position worldwide.

Without change to the current system, every airline passenger, every business aircraft, and every general aviation user of the national airspace will feel the effects of gridlock in our national aviation system.

We were provided data from Delta Airlines estimating that even an increase in delays of 4 minutes per flight would render their current hub system unusable.

And that is just one sign of the potential troubles—both economic and in terms of passenger convenience—we will face without dramatic action.

Our nation's aviation infrastructure will stop being an economic engine and will turn into a bottleneck for economic growth, if we do not impress upon the Congress to give the Administration the resources it needs to make the changes.

In addition to the issues of the aviation system, we must look at the issue of aviation safety and whether the current system can ensure the highest possible level of aviation safety in the 21st Century.

There is no doubt whatsoever that commercial aviation today is one of the safest forms of transportation. The risk of dying in a commercial aircraft accident is about one in every two million flights. In general aviation, the industry set a new all-time record for safety as the general aviation accident rate reached the lowest level since 1938.

That safety standard is a direct reflection of the extraordinary commitment on the part of the federal government and the aviation industry.

But while the commercial aviation accident record today is very low, it has shown virtually no improvement in the last 30 years.

If the current safety record remains static in the face of the predicted 70% growth in commercial aviation over the next 10 years, we can expect six or seven catastrophic accidents a year in the United States. Worldwide, we could expect to see a large airliner accident occur every 7 to 10 days.

You and I know that that is clearly unacceptable.

The accident rate must be reduced.

Safety professionals in industry and government believe that an 80% reduction in the accident rateover the next 10 years is an achievable goal—a level which the White House Commission on Safety and Security also endorsed, and with which the National Civil Aviation Review Commission fully agreed.

The FAA has already begun a program to work with regulatory authorities of other nations to ensure that standards are being met and regulations are harmonized to the greatest extent possible. That program must be expanded and continued.

With the proper investment of resources and a comprehensive plan, the FAA can become a greater resource to the world aviation community—in much the same way the Centers for Disease Control occupies the central place in public health monitoring worldwide.

There is no doubt that we are at a critical time in the history of aviation in the United States and the world—and that we are faced with tremendous challenges.

The next ten years offer great promise, and great potential for positive change. Reaching that potential will not be easy. But yet, the general public does not get concerned about these issues unless there are high-profile accidents that bring the aviation industry under a high profile of attention. And in this respect, we cannot afford to just talk to each other and to ourselves.

Aviation infrastructure is too important a subject to leave just to passenger airlines, cargo carriers, general aviation community, aircraft manufacturers, pilot unions or airport operators to be the battering ram to do battle with the Congress or the Executive Branch.

It’s time to break out of our box and engage the public in this fight. It may take more effort, it may cost more money, and it may take a longer time to bring the general public to do battle with us but it will be well worth it.

Aviation infrastructure is invisible and until we get the users of the system and potential users of the system engaged with us, the chances are that nothing will change.

But as someone who has spent much of my professional career involved in the field of aviation policy and as someone who fully understands the powerful impact aviation has on the economy and the quality of life of all our fellow Americans—I know we cannot afford to leave these challenges unmet.

And, so I look forward to continuing to work with all of you to meet these challenges.

Thank you very much.